

EXHIBIT 6.



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December 29, 2014

***Privileged and Confidential
Attorney Work Product***

Jesse C. Klaproth, Esquire
Tucker Law Group, LLC
One Penn Center at Suburban Station
Suite 1700
Philadelphia, Pennsylvania 19103

**Re: Security & Data Technologies, Inc. v. School District of Philadelphia, et al., U.S.
District Court for the Eastern District of Pennsylvania, Civil Action No. 12-cv-02393**

Dear Mr. Klaproth:

You, on behalf of your client the School District of Philadelphia (the “School District”), have requested that I review the claims of Security & Data Technologies, Inc. (“SDT”) in the above-captioned matter. Specifically, you have requested that I review and comment upon the damages claimed by SDT against the School District as outlined in the October 30, 2014 expert report of John F. Maloney (the “Maloney Report”).

On or about November 14, 2014, subsequent to the issuance of my September 19, 2014 Expert Report (the “Van Noy Report”), I received the Maloney Report and SDT’s consolidated financial statements for the years ended December 31, 2009, December 31, 2010, December 31, 2011 and December 31, 2012.

The bases and procedures underlying this report are consistent with those outlined in the Van Noy Report. The analysis performed as part of this report and the opinions expressed in this report do not change the opinions that I reached in the Van Noy Report. In addition, this report incorporates by reference all the documents and information reviewed and analyses performed as part of reaching my opinions expressed in the Van Noy Report.



Basis for Analysis

The analysis and opinions in this report are based upon the information and documentation identified to date, my education, my experience in performing similar work, and documents in the record. I have a B.S.B.A in Accounting and I am a Certified Public Accountant, Certified Fraud Examiner, and Certified in Financial Forensics. I am employed as a Director in the Disputes & Investigations Group of EisnerAmper LLP.

EisnerAmper LLP is an accounting and consulting firm that, among other things, provides business, economic, financial, and forensic consulting services to clients in a variety of industries. My curriculum vitae, including a list of all other cases in which I have testified as an expert during the last four years, is attached as Exhibit A.

EisnerAmper LLP's consulting services were performed in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement on Standards for Consulting Services and do not constitute an engagement to provide audit, review, compilation, or attest services as described in the pronouncements on professional standards issued by the AICPA.

In forming my opinion, I relied upon the documents specifically identified throughout this report and in the accompanying exhibits. A complete list of the documents upon which I relied is provided in Exhibit B. The documents and information utilized in my analysis and report are the types of documents and information upon which experts in my field typically rely. Additional information, which could affect my analysis, may come to my attention during the course of this matter. Accordingly, I reserve the right to amend my analysis and this report should additional or updated information become available.

This report may be used by the School District and its counsel, The Tucker Law Group, LLC, only for the purposes of this legal matter. This report may not be disclosed, copied, published, or used, in whole or in part, without prior permission of EisnerAmper LLP except as ordered by



legal process or court or competent jurisdiction. My firm is being compensated at a rate of \$385 per hour for my time in this matter. My firm's compensation is not contingent upon the outcome of this litigation.

Background

SDT is a "Life Safety" company located in Newtown, Pennsylvania that provides, among other things, security, fire alarm and video surveillance systems and equipment.¹ SDT sells its services to both private and governmental entities. Table 1 summarizes SDT's revenues and profits for the years ended 2009 through 2012.

TABLE 1: SUMMARY OF SDT'S REVENUES AND PROFITS ²

	2009	2010	2011	2012
Revenue	\$14,738,113	\$14,597,143	\$12,588,275	\$14,114,482
Gross Profit	3,734,089	3,654,537	2,853,901	3,249,450
<i>Gross Profit Margin</i>	25.3%	25.0%	22.7%	23.0%
Net Profit	209,902	233,002	214,542	276,580
<i>Net Profit Margin</i>	1.4%	1.6%	1.7%	2.0%

During 2010, the School District determined it needed to upgrade and/or replace security and surveillance systems at 19 schools that had been identified as "persistently dangerous" (the "Project").³ In or about September 2010, the School District contacted SDT regarding its capability to perform the Project under the required time constraints.⁴ After performing preliminary surveys of the schools covered by the Project, SDT submitted preliminary pricing, for equipment and SDT's services, to the School District in emails dated September 8, 2010⁵ and September 14, 2010⁶. The preliminary pricing did not include installation work, most of which would be performed by other companies. In fact, SDT informed the School District that 67

¹ <http://sdtinc.net/about-us>, visited December 23, 2014.

² See Exhibit 2.0.

³ Amended Complaint, pg. 4.

⁴ Deposition of Kenneth Spressart ("Spressart Deposition") dated June 16, 2014, pgs. 107 – 112.

⁵ Spressart Deposition, Exhibit D-3.

⁶ Spressart Deposition, Exhibit D-8.



percent of the project would be performed by Minority Business Enterprises (“MBE”) and Women Business Enterprises (“WBE”).⁷

At a meeting in or around mid-September 2010, SDT presented the findings from its survey of the 19 schools in the Project to the School District.⁸ During this meeting, SDT stated that it believed the total Project cost would be in the range of \$4.5 million to \$6.5 million.⁹ However, at no time was SDT awarded a purchase order or other written agreement by the School District to perform the work on the Project. On or about October 20, 2010, the School Reform Commission approved the award of the contract for the Project to IBS Communications, Inc. (“IBS”).¹⁰ SDT has alleged that the award of the Project to IBS was racially motivated and is claiming damages for not being awarded the Project.¹¹

The Maloney Report

The Maloney Report concludes that SDT suffered damages of at least \$2,100,000.¹² The Maloney Report calculates damages based on the following assumptions:¹³

- But-for the Defendants’ actions, SDT would have been awarded a \$7,500,000 contract for the Project; and
- SDT’s incremental profit margin on the Project would have been 28 percent, which is based on SDT’s median gross profit on construction projects in 2012 of 29 percent less an additional 1 percent for estimated increases in general insurance and office expenses.

⁷ Spressart Deposition, Exhibit D-9.

⁸ Spressart Deposition, pg. 187.

⁹ Spressart Deposition, pgs. 187 – 188.

¹⁰ Spressart Deposition, Exhibit D-12.

¹¹ Amended Complaint, pg. 11.

¹² Maloney Report, pg. 16.

¹³ Maloney Report, pg. 11.



Table 2 summarizes the Maloney Report's calculation of lost profits.

TABLE 2: SUMMARY OF THE MALONEY REPORT'S CALCULATION OF LOST PROFITS ¹⁴

Lost Contract Price	\$7,500,000
Gross Profit Percentage	<u>29.0%</u>
Gross Profit on Project	\$2,175,000
General and Administrative Expenses	<u>(\$75,000)</u>
Contract Damages	<u>\$2,100,000</u>

Conclusions

Based on the work performed and my analysis of the documents and information provided to date, it is my opinion that the damages set forth in the Maloney Report are unreliable and speculative. Specifically, it is my opinion that the Maloney Report:

1. Overstates SDT's incremental Project by assuming, without basis, that SDT's historical gross margin was achievable on the full amount of the Project and fails to appropriately account for:
 - a. SDT's historical gross profit percentages on construction contracts in progress;
 - b. SDT's historical gross profit percentages realized on School District work;
 - c. The Project's incremental general and administrative expenses; and
 - d. The impact on overall Project profitability resulting from SDT's use of subcontractors.
2. Fails to address the basic foundational elements for reasonably estimating SDT's damages, if any, for not obtaining the Project, including:
 - a. Preparing a proper estimate of the Project costs;
 - b. Obtaining pricing from subcontractors;

¹⁴ Maloney Report, pg. 11.



- c. Evaluating the demands on operational and financial resources required by the Project; and
 - d. Evaluating if its historical gross profit percentage is a reliable measure of gross profit on the Project.
3. Assumes without providing any support or justification that, but-for the alleged bad acts of the School District, SDT would have been awarded the Project and at the IBS contract value.

Work Performed

1. Reviewed the following documents and/or information sources:
 - Amended Complaint;
 - SDT's website;
 - Depositions and related exhibits of Kenneth Spessart dated June 16, 2014 and August 6, 2014;
 - Deposition and related exhibits of Jerome Paley dated July 9, 2014; and
 - Depositions and related exhibits of Darryl Boozer dated August 4, 2014;
 - Plaintiff's Answers to Defendants' Interrogatories.
2. Reviewed and analyzed SDT's Job Contract Analysis Reports attached to various depositions.
3. Reviewed and analyzed the Maloney Report.
4. Reviewed and analyzed SDT's consolidated financial statements for the years ended December 31, 2009, December 31, 2010, December 31, 2011 and December 31, 2012.

Findings

Consistent with my opinions in the Van Noy Report, it is my opinion that the damages set forth in the Maloney Report are based on insufficient data and flawed assumptions, each of which



overstates SDT's damages. The remainder of this section addresses the Maloney Report's analysis, or lack thereof, in further detail.

SDT's Gross Profit Margin

The Maloney Report calculates SDT's lost profits using an incremental profit margin of 28 percent, which is based on an alleged gross profit of 29 percent less an additional 1 percent for estimated increases in general insurance and office expenses. The 29 percent gross profit amount is derived from SDT's December 31, 2012 Contracts in Progress Schedule ("CIPS") attached as Maloney Report Exhibit E. The Maloney Report recasts the CIPS to segregate SDT's projects with contract prices that exceed \$75,000.¹⁵ The 15 projects listed on the recast CIPS range in size from \$75,030 to \$615,000 and are on average 58.6 percent complete. The nature of the projects, e.g. construction, supply, and SDT's role, e.g. prime or subcontractor, is not indicated for any of the 15 projects presented on the recast CIPS. In addition, based on the project names, it does not appear that any School District projects are included on the recast CIPS.

The 15 projects presented on the recast CIPS range from 2.1 percent to 95.7 percent complete, based on "Cost of Earned Revenues to Date" as a percent of "Estimated Costs". Since this calculation is made at an interim stage of completion, the actual gross profit at project completion could vary significantly. There is no evidence in the Maloney Report that any effort was made to obtain actual profitability at 100 percent completion for any of the 15 projects presented on the recast CIPS. Consequently, it appears that the Maloney report bases SDT's entire damage calculation on a gross profit percentage derived from a limited set of 15 project, at varying stages of completion, for owners other than the School District, where the nature of the project is unknown, where SDT's role is not specified, and the largest of which is approximately one-twelfth the size of the contract at issue. In my opinion, these issues individually and collectively render the Maloney Report's calculation of SDT's contract damages speculative and unreliable.

¹⁵ The Maloney Report, Exhibit G.



The Maloney Report also analyzes 35 projects listed on SDT's Job Contract Analysis Reports for work performed both directly and as a subcontractor for the School District from January 1, 2007 through December 31, 2012.¹⁶ In the Van Noy Report, I analyzed these 35 contracts and made the following observations from this data:¹⁷

- The contracts range in size from \$505 to \$569,718.
- The average contract size over the six year period is \$71,300.
- There appears to be little or no correlation between gross profit percentage and contract amount, date of contract or any other factor present on the Job Contract Analysis Reports.
- Gross profit percentages range from a negative or loss of 81.26 percent to a high of 91.88 percent.
- The standard deviation of the gross profit percentages is 38.26 percent.
- The average gross profit percentage is 36.76 percent.

These 35 contracts have a wide range of gross profit percentages, from a negative 81.26 percent to a positive 91.88 percent, with what appears to be significant variability. The standard deviation, which measures the distribution of the individual gross profit percentages around the average, is 38.26 percent, which is higher than the average gross profit percentage of 36.76 percent. A standard deviation higher than the average generally indicates that the average is not a representative or normal measure of the data. In other words, the variability in SDT's historical gross profit percentages indicates that the average gross profit percentage is an unreliable basis for determining the profit that would have been earned on the Project.

SDT produced two separate Job Contract Analysis Reports, labeled "Projects direct with SDP" and "Projects direct with Electrical Contractors," respectively.¹⁸ The two reports contain a combined total of 54 contracts. In the Van Noy Report, my analysis included the 29 contracts listed in "Projects direct with SDP" and 6 additional contracts listed in "Projects direct with

¹⁶ Deposition of Kenneth Spresart ("Spresart 30(b)(6) Deposition") dated August 6, 2014, Exhibits SDT-4 and SDT-5.

¹⁷ See Exhibit 1.0.

¹⁸ Spresart 30(b)(6) Deposition, Exhibits SDT-4 and SDT-5.



Electrical Contractors” that specifically referenced the School District in the contract name column. In response to the Maloney Report, I revisited SDT’s Job Contract Analysis Reports and the corresponding deposition testimony of Mr. Spressart. According to Mr. Spressart’s testimony, it appears that all 54 contracts listed relate to work performed for the School District.¹⁹ Under the assumption that all contracts contained on the two Job Contract Analysis Reports relate to work performed for the School District, I have the following additional observations:²⁰

- The contracts range in size from \$505 to \$569,718.
- The average contract size over the six year period is \$79,145.
- There appears to be little or no correlation between gross profit percentage and contract amount, date of contract or any other factor present on the Job Contract Analysis Reports.
- Gross profit percentages range from a negative or loss of 81.26 percent to a high of 91.88 percent.
- The standard deviation of the gross profit percentages is 36.88 percent.
- The average gross profit percentage is 25.54 percent

The additional observations above further support my original opinion that the variability in SDT’s historical gross profit percentages indicates that the average gross profit percentage is an unreliable basis for determining the profit that would have been earned on the Project. It is unclear why the Maloney Report limits its analyses to the same 35 contracts addressed in the Van Noy Report, if in fact all 54 projects on the two Job Cost Analysis Reports represent School District work.

SDT’s General and Administrative Expenses

In addition to its flawed analysis of SDT’s gross profit, the Maloney Report also fails to appropriately account for any additional expenses SDT would have incurred in fulfilling its

¹⁹ Spressart 30(b)(6) Deposition, pgs. 87 and 92.

²⁰ See Exhibit 1.0.



obligations on the Project. Gross profit is net sales less the cost of goods sold.²¹ In the context of the Project, gross profit is the contract price less the direct cost to SDT of performing the contract. Direct costs are costs that can be clearly associated with a specific project, activity or product,²² i.e. the equipment and services provided in completing the Project. Gross profit does not include general and administrative costs such as building rent, interest, utilities, taxes or officer salaries. General and administrative expenses are deducted from gross profit to arrive at net income.

SDT reported the following general and administrative expense categories:²³

- Advertising and promotion
- Bad debts
- Depreciation
- Dues and subscriptions
- Equipment leasing
- Insurance – general
- Insurance – medical and life
- Meals and entertainment
- Office expense
- Payroll taxes
- Pension plan
- Postage and shipping
- Professional fees
- Salaries – sales
- Taxes
- Telecommunications
- Travel
- Utilities

The Maloney Report concludes that the only two expense categories that would increase as a result of the Project are “general insurance” and “office expense.”²⁴ The Maloney Report further concludes “[i]t is reasonable that general insurance and office expense could increase by 1% of additional revenue.”²⁵ The Maloney Report provides no support for its opinion that only these two expense categories would be impacted by the Project. The Maloney Report also provides no

²¹ www.accountingtools.com

²² www.accountingtools.com.

²³ SECURITY-05080-127.

²⁴ Maloney Report, pg. 10.

²⁵ Maloney Report, pg. 10.

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basis or support for the determination that these two expense categories would increase by 1 percent of revenue as a result of the Project.

As previously stated, SDT has never performed a contract for the School District of the size and scope of the Project. Therefore, it cannot be assumed that SDT had the staff, financial resources, or overall capability to effectively and efficiently manage the Project. A contract over 12 times the size of SDT's then largest contract for the School District would have burdened all areas of SDT's operations and finances. For example, given the size and scope of the Project, I would expect SDT to incur additional expenses related to professional fees or equipment leasing. In addition, the fast-track nature of the Project would have only increased the strain on SDT's resources. This is not to say that SDT could not have accomplished the Project, only that the project would have created inefficiencies in SDT's operations leading to additional costs not considered in the Maloney Report, such as:

- Increased overtime costs;
- Unbillable direct labor costs;
- Wasted materials and supplies;
- Additional interest expense;
- Additional office expenses; and
- Impacts to other ongoing projects.

In my opinion, the Maloney Report's analysis of SDT's incremental general and administrative expenses is unsupported and speculative. An appropriate analysis should consider the actual costs SDT would have incurred in performing the contract. At the very least, I would have expected that Mr. Maloney discussed these expense categories with SDT's representatives to gain an understanding of how each expense category would be impacted by the Project. There is no evidence to suggest such discussions took place.



SDT's Subcontractor Expenses

SDT stated to the School District that 67 percent of the work would be performed by MBE and WBE subcontractors. The Maloney Report's discussion regarding subcontractor expense assumes that 56 percent of the project would be subcontracted, which is based on the amount of work allegedly subcontracted by IBS on the Project. It is unclear why the Maloney Report would select a subcontractor percentage that was inconsistent with SDT's representations to the School District. Based on its representations to the School District, SDT's work, at most, would have been 33 percent of the Project contract amount or \$2,475,000, which is over four times larger than SDT's largest contract with the School District.

The Maloney Report assumes that SDT will achieve a gross profit of 29 percent on the entire \$7.5 million Project value. Even if SDT could have achieved a 29 percent gross profit on equipment and its own services, it is not feasible that SDT could have applied a comparable markup on subcontractor work. As stated earlier, at least 67 percent or \$5,025,000 of the Project value was to be given to subcontractors. Given that the School District warned SDT that it would "...solicit pricing from others to ensure that we have the best pricing,"²⁶ it is more reasonable to assume that SDT would at best achieve its historical gross profit on only its 33 percent portion of the Project.

As previously stated, the 29 percent gross profit margin used in the Maloney Report is based solely on 15 contracts in progress in 2012. The Maloney Report provides no analysis of SDT's role in these 15 contracts (i.e., prime contractor or subcontractor) or the distribution of work between prime and subcontractor, both of which can impact a contract's final profitability. Without understanding SDT's role, it is unclear whether these 15 contracts are a reasonable estimate of SDT's alleged profitability on the Project, given the fact that 67 percent of the work would be performed by subcontractors.

²⁶ Spressart Deposition, Exhibit D-3.



A subcontractor has profit and overhead built into its pricing to a prime contractor. Assuming the subcontractor's markup was 15 percent, 10 percent for overhead and 5 percent for profit, the School District would have paid a total markup on subcontractor work of at least 44 percent after SDT's 29 percent markup. This level of markup is high for the construction industry, particularly for contracts involving government entities. As stated in the Van Noy Report, for the construction industry, a more typical markup on subcontractor work would be in the 5 percent to 10 percent range.

SDT's Actual Project Costs

The Project contract amount was \$7,500,000, which is more than 12 times greater than the largest project SDT had performed for the School District up to that time. SDT stated that it never prepared an actual estimate of the number of staff the project would have required or the number of hours it would have expended on the Project.²⁷ The markup on subcontractor work was also not considered by SDT because "we [SDT] didn't get that far into it."²⁸ In fact, SDT's Vice President of Sales stated "we had not finalized anything. Nothing was finalized on this job as far as cost, sale price...so again that's [gross profit margin] just a target we were looking for."²⁹ Without developing a cost estimate that quantifies the required labor, material and equipment resources as well as soliciting bids from subcontractors, any estimate of the profit to be made on this or any other project is purely speculation. The level of speculation only increases when one considers that the Project was many times larger than any contract that SDT had previously performed and would therefore have impacted its overall operations in ways not previously considered or experienced by SDT.

Without addressing these considerations, it would be impossible for me or anyone to reliably calculate what, if any, profits SDT would have realized if it had been awarded the Project. Consequently, the damage methodology set forth in the Maloney Report is unreliable and its alleged damages are speculative.

²⁷ Spressart 30(b)(6) Deposition, pgs. 39-40.

²⁸ Spressart 30(b)(6) Deposition, pg. 22.

²⁹ Spressart Deposition, pg. 223.

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The procedures performed were limited to those described herein based on the documents provided to date and other information obtained. Information obtained subsequent to the date of this report may affect this analysis and this effect may be material. If requested, I will update my analysis.

My procedures were performed solely with respect to the above referenced litigation. This report is not to be reproduced, distributed, disclosed or used for any other purpose.

Very truly yours,

EISNERAMPER LLP

A handwritten signature in black ink, reading "Tim Van Noy". The signature is written in a cursive style with a horizontal line underneath.

Tim Van Noy, CPA, CFE

Index of Exhibits

Number	Exhibit Title
A	Curriculum Vitae
B	Documents Considered
1.0	Summary of SDT's Contracts Involving the School District
1.1	Summary of Direct Projects With Philadelphia School District
1.2	Summary of Subcontractor Projects With Philadelphia School District
2.0	SDT Consolidated Statements of Operations
3.0	2010 SDT Contracts in Progress
4.0	2012 SDT Contracts in Progress

EXHIBIT A



Tim Van Noy

Director

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Certifications

- CPA
- CFE
- CFF

Specialties

- Construction Litigation
- Forensic Investigation

Professional Activities

- AICPA
- PICPA
- ACFE

Community Activities

- School Board Member-
Clearview Regional

Tim Van Noy is a Director with EisnerAmper LLP. Tim has extensive experience in providing litigation support services, specializing in construction disputes, damage measurement, forensic accounting and investigations. He has testified as an expert witness in civil and criminal matters in state and federal courts. He is a Certified Public Accountant and holds designations as a Certified Fraud Examiner (CFE) and Certified in Financial Forensics (CFF).

Tim has over 25 years of experience in construction disputes and investigations on a wide variety of domestic and international contracts including: highway, bridge and dam construction; high-speed rail and commuter rail projects; commercial, industrial and institutional building construction and renovation; utility and cogeneration projects; residential development; and shipbuilding. He has also assisted government contractors develop and present claims to various federal agencies. On these projects, he has performed cost verifications, reviewed and assessed change orders, and analyzed damage claims related to cost overruns, defective design, extra work, acceleration, delay, lost productivity, and additional field and home office overhead. Tim has also assisted the U.S. Department of Justice in criminal and civil false claims investigations and has investigated fraud allegations for private owners.

In addition to construction matters, Tim's forensic accounting experience includes civil litigation and fraud investigation. He has analyzed damages related to lost profits, breach of contract, lender liability, wrongful termination, trade secrets, and red lining. The fraud issues investigated have included fraudulent financial statements, fraudulent statutory reporting, disbursements, procurement, FCPA compliance, corruption, fraudulent loan underwriting, and embezzlement. Tim has also assisted the U.S. Department of Justice in a criminal investigation related to financial statement fraud.

Tim has presented on topics related to fraud investigation and construction claims to various industry associations, including the American Institute of Certified Public Accountants, Construction Financial Management Association, Construction Management Association of America and the American Accounting Association. He has also presented on the topic of investigating fraud and corruption on major infrastructure projects to The World Bank and to the Ministry of Justice of the Royal Government of Thailand.

Prior to joining EisnerAmper LLP, Tim spent ten years managing his own consulting practice. He is a former partner at a Big Four accounting firm and has served as the Chief Financial Officer for an infrastructure design and construction management company. Tim has also functioned as an owner's representative on construction projects, designed electrical systems for Navy ship overhauls, and spent several years working in the construction trades. Tim graduated with Honors, receiving a degree in Accounting from Old Dominion University.



Work History

EisnerAmper, LLP, 2009 to present - Director
Van Noy & Co., LLP 1999 – 2009, Partner
InterArch, 1998 to 1999 - Director of Operations
Urban Engineers, Inc., 1996 to 1998 - Chief Financial Officer
Price Waterhouse, (1985 to 1996) -Partner, Litigation Services, 1995 to 1996

Professional Affiliations

American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants
Association of Certified Fraud Examiners

Testimony Last Five Years

Deposition testimony in the matter Meridian Engineering Company v. The United States, United States Court of Federal Claims; July 18, 2013.

Arbitration testimony in the matter ERG Construction, Inc. v. Delric Construction Company, Inc., American Arbitration Association; March 13, 2013.

Deposition testimony in the matter Fish Net, Inc., trading as That Fish Place-That Pet Place v. ProfitCenter Software, Inc. and Systemax, Inc., U.S. District Court for the Eastern District of Pennsylvania; June 13, 2012.

Trial testimony in the matter International Cartridge Corp. v. Kilgore Flares Company, LLC, SinterFire, INC., Daniel S. Yaich, and Joseph S. Coury, Pennsylvania Common Pleas Court, Jefferson County; June 29, 2011.

Articles Last Ten Years

Live presentation to the Institute of Internal Auditors, Philadelphia Chapter, Spring Conference – Foreign Corrupt Practices Act and UK Bribery Act - 2013

Live presentation to the Florida Institute of CPA's – Managing Fraud Risk in Construction and Real Estate Development - 2012

Live presentation to the Bucks County Bar Association – Occupational Fraud and Abuse – 2011

Live presentation to the American Institute of Certified Public Accountants, National Forensic Accounting Conference – Construction Damages – 2011

Live presentation to the Construction Financial Management Association – Managing Fraud Risk: Identifying and Preventing Corruption Schemes in Construction Companies - 2010

Live presentation to the Ministry of Justice of the Royal Government of Thailand - Investigating Fraud and Corruption on Major Infrastructure Projects – 2008

Audio conference presentation for Business Publishers, Inc. entitled: Unabsorbed Home Office Overhead Recovery - 2008

EXHIBIT B

Documents Considered

Bates Range	Document Description
<u>Pleadings</u>	
Amended Complaint dated June 28, 2012.	
Plaintiff's Answers to Defendants' Interrogatories dated January 24, 2014 (Deposition Exhibit D13).	
<u>Expert Reports</u>	
Expert Report of John F. Maloney dated October 30, 2014 with exhibits.	
<u>Depositions</u>	
Deposition of Kenneth Spressart dated June 16, 2014 with exhibits.	
Deposition of Jerome Paley dated July 9, 2014 with exhibits.	
Deposition of Darryl Boozer - 30(b)(6) dated August 4, 2014 with exhibits.	
Deposition of Kenneth Spressart - 30 (b)(6) dated August 6, 2014 with exhibits.	
<u>Security and Data Technologies, Inc. Documents</u>	
SDT02314	SDT02321
SDT02368	SDT02369
SDT02373	SDT02374
SDT02382	SDT02382
SDT02415	SDT02415
SDT02596	SDT02599
SECURITY-00118	SECURITY-00118
SECURITY-00131	SECURITY-00132
SECURITY-00135	SECURITY-00137
SECURITY-00560	SECURITY-00581
SECURITY-00593	SECURITY-00594
SECURITY-04914	SECURITY-04984
SECURITY-05079	SECURITY-05079
SECURITY-05080	SECURITY-05127
<u>Security and Data Technologies, Inc. Non-Bates Labeled Documents</u>	
SDT website biography of Kenneth R. Spressart (Deposition Exhibit D1).	

EXHIBIT 1

Summary of SDT's Contracts Involving the School District

	<u>35 Contracts¹</u>	<u>All Contracts²</u>
Range of Contract Size	\$505 - \$569,718	\$505 - \$569,718
Average Contract Size	\$ 71,300	\$ 79,145
Gross Profit % Range	(81.26%) - 91.88%	(81.26%) - 91.88%
Gross Profit % Standard Deviation	38.26%	36.88%
Average Gross Profit %	36.76%	25.54%

Source: Exhibits 1.1 and 1.2.

Notes:

- 1 The 35 contracts analyzed in the Van Noy Report.
- 2 All contracts included in SDT-4 and SDT-5.

Amounts subject to rounding.

**Summary of Direct Projects With Philadelphia School District
January 1, 2007 through December 31, 2012**

Job	Name	Contract Amount	Current Estimated Costs	Revised Project Costs	Gross Profit*	Gross Profit %*	Cost To-Date	Percent Complete	Billed To-Date	Percent Billed	Revenue Recognized	Payments Received	Over - Billed	Under - Billed	Backlog	Sales Rep	Contract Date
3383SDP	SCH DIST OF PHILA-TRAINING LAB	\$ 17,925.00	\$ 14,117.00	\$ 16,630.45	\$ 1,294.55	7.22%	\$ 13,364.20	80.36%	\$ 17,925.00	100.00%	\$ 14,404.53	\$ 17,925.00	\$ 3,520.47	\$ -	-	DL	11/23/07
3384SDP	SCH DIST OF PHILA-LIBRARY R131	505.00	415.00	915.36	(410.36)	-81.26%	1,429.79	156.20%	505.00	100.00%	788.81	505.00	-	283.81	-	DL	11/23/07
3385SDP	SCH DIST OF PHILA-SRC RM# 101	526.00	430.00	878.71	(352.71)	-67.06%	878.71	100.00%	526.00	100.00%	526.00	526.00	-	-	-	DL	11/23/07
3433SDP	SCH DIST OF PHILA -S&M AGRMNT	53,589.00	31,390.00	38,823.39	14,765.61	27.55%	38,823.39	100.00%	53,589.00	100.00%	53,589.00	53,589.00	-	-	-	DL	12/19/07
3439SDP	SCH DIST OF PHILA - HR RM 222	2,535.00	1,949.00	1,479.14	1,055.86	41.65%	1,479.14	100.00%	2,535.00	100.00%	2,535.00	2,535.00	-	-	-	DL	12/14/07
3440SDP	SCH DIST PHIL-EMPLY HLTH SRVC	2,535.00	1,949.00	1,398.51	1,136.49	44.83%	1,398.51	100.00%	2,535.00	100.00%	2,535.00	2,535.00	-	-	-	DL	12/20/07
3599SDP	SCH DIST OF PHILA-PSD WIRELESS	580.00	427.00	76.26	503.74	86.85%	76.26	100.00%	580.00	100.00%	580.00	580.00	-	-	-	DL	04/09/08
3600SDP	SCH DIST OF PHILA ADDL READER	2,790.00	2,132.00	723.89	2,066.11	74.05%	723.89	100.00%	2,790.00	100.00%	2,790.00	2,790.00	-	-	-	DL	04/09/08
3665SDP	440 BLDG INTERCOM 15TH ST PSD	4,650.00	3,475.00	3,392.52	1,257.48	27.04%	3,165.99	93.32%	4,650.00	100.00%	4,339.38	4,650.00	310.62	-	-	DL	05/20/08
3727SDP	RE-ENGAGEMENT CTR - S D P	1,550.00	952.00	635.79	914.21	58.98%	635.79	100.00%	1,550.00	100.00%	1,550.00	1,550.00	-	-	-	DL	06/25/08
3892PSD	CCTV DRWG LAYS 41-60 PHILA SCH	60,820.00	28,440.00	6,637.00	54,183.00	89.09%	7,584.75	114.28%	60,820.00	100.00%	69,505.10	60,820.00	-	8,685.10	-	DL	12/08/08
3893PSD	PHILA SCH DIST SOFTWARE UPORDE	68,250.00	40,950.00	-	27,300.00	40.00%	199.00	0.49%	68,250.00	100.00%	334.43	68,250.00	67,915.57	-	-	DL	12/08/08
3894PSD	CCTV DRWNG LAYS 1-20 PHILA SCH	61,690.00	28,880.00	50,373.65	11,316.35	18.34%	72,469.90	143.86%	61,690.00	100.00%	88,747.23	61,690.00	-	27,057.23	-	DL	12/08/08
3896PSD	CCTV DRWNG LAYS 21-40 PHILA SCH	60,820.00	28,440.00	-	32,380.00	53.24%	6,641.25	23.35%	60,820.00	100.00%	14,201.47	60,820.00	46,618.53	-	-	DL	12/08/08
3897PSD	CCTV DRWG LAYS 61-80 PHILA SCH	60,820.00	28,520.00	9,446.25	51,373.75	84.47%	9,446.25	100.00%	60,820.00	100.00%	60,820.00	60,820.00	-	-	-	DL	12/03/08
4031 SDP	CCTV DRWINGS 5 ADDL PHILA SCH	12,160.00	5,622.00	987.00	11,173.00	91.88%	2,087.00	211.45%	12,160.00	100.00%	25,712.32	12,160.00	-	13,552.32	-	DL	04/15/09
4259SDP	SCHOOL DIST. OF PHILA	56,311.57	35,255.00	26,997.29	29,314.28	52.06%	27,022.28	100.09%	56,311.57	100.00%	56,362.25	56,311.57	-	50.68	-	KS	11/30/09
4260PSD	PSD-FCWINX-SOFTWARE UPDATE	160,000.00	109,091.00	111,812.31	48,187.69	30.12%	118,612.95	106.08%	160,000.00	100.00%	169,728.00	160,000.00	-	9,728.00	-	KS	11/30/09
4301PSD	PSD-3RD FLR PORTAL *B*	6,565.00	4,808.00	3,707.99	2,857.01	43.52%	3,824.01	103.13%	6,565.00	100.00%	6,770.48	6,565.00	-	205.48	-	DL	01/13/10
4319PSD	PSD/ENG&CAD-FIR TWR ACC CTR DR	5,544.00	2,784.00	6,630.00	(1,086.00)	-19.59%	42,488.28	640.85%	5,544.00	100.00%	35,528.72	5,544.00	-	29,984.72	-	DL	01/28/10
4337PSD	PSD-440 BLD TURNSTILES PHS 1-2	389,291.00	255,459.00	248,032.40	141,258.60	36.29%	247,712.22	99.87%	389,291.00	100.00%	388,784.92	389,291.00	506.08	-	-	KS	02/24/10
4357PSD	PSD FIRE TOWER-ACC CONTROL DRs	569,718.00	409,190.00	392,859.10	176,858.90	31.04%	392,372.09	99.88%	569,718.00	100.00%	569,034.34	569,718.00	683.66	-	-	KS	03/19/10
4454PSD	ELLIOT-LEWIS CO ADD TO CONF RM	2,300.00	771.00	618.98	1,681.02	73.09%	618.98	100.00%	2,300.00	100.00%	2,300.00	2,300.00	-	-	-	CF	06/09/10
4559PSD	PSD-ADDTL FCWX CLIENT STATION	2,233.50	1,270.00	1,050.00	1,183.50	52.99%	1,110.86	105.80%	2,233.50	100.00%	2,263.04	2,233.50	-	129.54	-	KS	07/30/10
4815PSD	PSD-SECURITY REAR BASEMENT	19,525.00	14,006.00	15,977.89	3,547.11	18.17%	14,381.89	90.01%	19,525.00	100.00%	17,574.45	19,525.00	1,950.55	-	-	KS	05/31/11
5000PSD	PHILA SCHL DIST MAINT AGR 2012	25,000.00	13,750.00	3,741.98	21,258.02	85.03%	8,416.98	224.93%	25,000.00	100.00%	56,232.50	25,000.00	-	31,232.50	-	KS	02/17/12
5046PSD	PSD-440 N BROAD TECH ED SEC	54,820.00	38,872.00	11,777.33	43,042.67	78.52%	24,400.81	207.18%	54,820.00	100.00%	113,576.08	54,820.00	-	58,756.08	-	JS	05/04/12
CC23292	15TH STREET ADDTL READER	4,471.00	3,488.00	3,248.85	1,222.15	27.34%	3,248.85	100.00%	4,471.00	100.00%	4,471.00	4,471.00	-	-	-	DL	10/03/08
CC43571	PSD-440 N BROAD ST-STAIR TWR	10,285.00	5,591.00	6,845.66	3,439.34	33.44%	6,845.66	100.00%	10,285.00	100.00%	10,285.00	10,285.00	-	-	-	KS	09/27/10
Report Totals		\$ 1,717,809.07	\$ 1,112,423.00	\$ 965,697.70	\$ 605,386.07	35.24%	\$ 1,051,459.68	94.52%	\$ 1,717,809.07	100.00%	\$ 1,775,969.05	\$ 1,717,809.07	\$ 121,505.48	\$ 179,665.46	-		

Source: Exhibit SDT-4 of 30 b 6 (Spressart) with exhibits.pdf.

Notes:

* Gross Profit is calculated by subtracting revised project costs from the contract amount. If revised costs equal zero, then estimated costs are subtracted from the contract amount to arrive at gross profit. Gross profit percentage is calculated by dividing gross profit by the contract amount.

Amounts subject to rounding.

Summary of Subcontractor Projects With Philadelphia School District
January 1, 2007 through December 31, 2012

Job	Name	Contract Amount	Current Estimated Costs	Revised Project Costs	Gross Profit*	Gross Profit %*	Cost To-Date	Percent Complete	Billed To-Date	Percent Billed	Revenue Recognized	Payments Received	Over - Billed	Under - Billed	Backlog	Sales Rep	Contract Date
3084AUD	AUDENREID HIGH SCHOOL	\$ 167,000.00	\$ 148,934.00	\$ 153,717.78	\$ 13,282.22	7.95%	\$ 153,199.14	99.66%	\$ 167,000.00	100.00%	\$ 166,432.20	\$ 167,000.00	\$ 567.80	\$ -	\$ -	PC	03/05/07
3098GWC	GEORGE WASHINGTON CARVER SCH	45,570.00	32,629.00	47,485.28	(1,915.28)	-4.20%	47,485.28	100.00%	45,570.00	100.00%	45,570.00	45,297.00	-	-	-	PC	03/19/07
3284WPA	W. PHILA AUTOMOTIVE ACADEMY	86,944.00	66,456.00	84,400.58	2,543.42	2.93%	86,709.28	102.74%	86,943.99	100.00%	89,326.27	86,944.00	-	2,382.28	0.01	BB	08/31/07
3384SDP	SCH DIST OF PHILA-LIBRARY R131	505.00	415.00	915.36	(410.36)	-81.26%	1,429.79	156.20%	505.00	100.00%	788.81	505.00	-	283.81	-	DL	11/23/07
3593SNY	SNYDER MIDDLE SCHOOL RENOS	28,165.00	21,346.00	17,596.67	10,568.33	37.52%	17,461.15	99.23%	28,165.00	100.00%	27,948.13	27,262.79	216.87	-	-	BB	04/01/08
3865PES	PENROSE ELEM& BARTRAM MOTIV HS	157,838.00	125,552.00	158,145.82	(307.82)	-0.20%	158,854.13	100.45%	157,838.00	100.00%	158,548.27	157,838.00	-	710.27	-	TD	11/07/08
4000BES	BLUFORD ELEMENTARY SCHOOL	159,020.00	131,566.00	139,622.59	19,397.41	12.20%	141,377.76	101.26%	159,020.00	100.00%	161,023.65	159,020.00	-	2,003.65	-	BC	03/16/09
4097PSD	PHIL SCH DIST CORE SITE #3	152,497.05	112,836.00	85,954.80	66,542.25	43.64%	86,228.88	100.32%	152,497.05	100.00%	152,985.04	152,497.02	-	487.99	-	TD	06/30/09
4119FSF	ALOYSIUS FITZPATRICK ELEM SCH	9,088.00	6,160.00	6,271.31	2,816.69	30.99%	6,491.31	103.51%	9,088.00	100.00%	9,406.99	9,088.00	-	318.99	-	BB	07/16/09
4135KHS	KENSINGTON HIGH SCH PKG SYSTEM	190,367.19	154,031.00	162,936.66	27,430.53	14.41%	163,827.21	100.55%	190,367.19	100.00%	191,414.21	190,367.19	-	1,047.02	-	BC	08/13/09
4155LHC	LAURA H CARNELL SCHOOL	24,312.00	11,314.00	24,078.94	233.06	0.96%	24,034.62	99.82%	24,312.00	100.00%	24,268.24	24,312.00	43.76	-	-	TD	09/09/09
4180PSD	PHILADELPHIA SCHOOLS RING #1	164,874.03	129,286.00	105,408.41	59,465.62	36.07%	108,476.97	102.91%	164,874.03	100.00%	169,671.86	164,874.03	-	4,797.83	-	TD	10/09/09
4201JBH	JOHN BARTRAM HIGH SCHOOL	39,165.20	37,356.00	35,659.03	3,506.17	8.95%	35,274.60	98.92%	39,165.20	100.00%	38,742.22	39,165.20	422.98	-	-	TD	11/02/09
4203GWP	GEORGE W. PEPPER MIDDLE SCHOOL	42,735.00	34,029.00	39,115.73	3,619.27	8.47%	39,626.00	101.30%	42,735.00	100.00%	43,290.56	42,735.00	-	555.56	-	TD	11/02/09
4283WPH	WEST PHILADELPHIA HIGH SCHOOL	501,674.39	440,049.00	464,598.17	37,076.22	7.39%	464,034.04	99.88%	501,674.39	100.00%	501,072.38	501,674.39	602.01	-	-	BC	12/21/09
4343PSD	PSD CORE SITES RING #2	135,337.05	105,380.00	86,744.10	48,592.95	35.91%	87,617.10	101.01%	135,337.05	100.00%	136,703.95	135,337.05	-	1,366.90	-	TD	03/04/10
4549ESS	EDWARD T STEEL SCHL NEW FA	25,000.00	19,519.00	20,877.81	4,122.19	16.49%	20,660.73	98.96%	25,000.00	100.00%	24,740.00	25,000.00	260.00	-	-	PC	07/30/10
4643PSD	PHILA SCHL DIST CORE STRNG #4	120,988.76	81,001.00	69,235.02	51,753.74	42.78%	69,337.78	100.15%	120,988.76	100.00%	121,170.24	120,429.66	-	181.48	-	TD	10/29/10
4734CTH	COMMUNICATIONS TECH HS	27,295.00	26,243.00	18,942.44	8,352.56	30.60%	23,268.73	122.84%	27,295.00	100.00%	33,529.18	27,295.00	-	6,234.18	-	TD	03/08/11
4736WMF	MCKINLEY ELEMENTARY SCHL FA	27,270.00	22,299.00	30,612.88	(3,342.88)	-12.26%	30,891.23	100.91%	27,270.00	100.00%	27,518.16	27,270.00	-	248.16	-	PC	07/16/11
4867BES	BRIDENBURG ELEM. SCHL-FA	129,890.00	108,366.00	103,252.24	26,637.76	20.51%	103,252.24	100.00%	129,890.00	100.00%	129,890.00	128,890.00	-	-	-	PC	08/03/11
4942PSD	PSD-SWENSON SKILLS CTR CCTV	61,000.00	50,590.00	64,185.37	(3,185.37)	-5.22%	64,405.37	100.34%	61,000.00	100.00%	61,207.40	61,000.00	-	207.40	-	TD	11/30/11
4944PSD	PSD-JUANITA PARK ACADEMY CCTV	143,000.00	131,298.00	131,627.92	11,372.08	7.95%	132,859.04	100.94%	143,000.00	100.00%	144,344.20	143,000.00	-	1,344.20	-	TD	11/28/11
5003GPK	GEN. PHILKEARNY SCHL MULT SYS	77,211.21	64,588.00	60,570.54	16,640.67	21.55%	60,570.54	100.00%	77,211.21	100.00%	77,211.21	77,211.21	-	-	-	TD	02/29/12
5123WAG	WAGNER MIDDLE SCHL NEW FA SYS	39,267.60	32,276.00	35,419.97	3,847.63	9.80%	35,493.92	100.21%	39,267.60	100.00%	39,350.06	39,267.60	-	82.46	-	TD	07/31/12
Report Totals		\$ 2,556,014.48	\$ 2,093,519.00	\$ 2,147,375.42	\$ 408,639.06	15.99%	\$ 2,162,866.84	100.72%	\$ 2,556,014.47	100.00%	\$ 2,576,153.23	\$ 2,553,280.14	\$ 2,113.42	\$ 22,252.18	0.01		

Source: Exhibit SDT-5 of 30 b 6 (Spressart) with exhibits.pdf.

Notes.
 * Gross Profit is calculated by subtracting revised project costs from the contract amount. Gross profit percentage is calculated by dividing gross profit by the contract amount.

Amounts subject to rounding.

EXHIBIT 2

SDT Consolidated Statements of Operations
For Years Ended December 31, 2009 through 2012

	2009	% of Earned Revenues	2010	% of Earned Revenues	2011	% of Earned Revenues	2012	% of Earned Revenues
Earned Revenues								
Contract Revenue	\$ 10,505,370	71.3%	\$ 10,426,118	71.4%	\$ 8,726,992	69.3%	\$ 10,172,830	72.1%
Service Revenue	4,232,743	28.7%	4,171,025	28.6%	3,861,283	30.7%	3,941,652	27.9%
Total Earned Revenues	14,738,113	100.0%	14,597,143	100.0%	12,588,275	100.0%	14,114,482	100.0%
Cost of Earned Revenues	11,004,024	74.7%	10,942,606	75.0%	9,734,374	77.3%	10,865,032	77.0%
Gross Profit	3,734,089	25.3%	3,654,537	25.0%	2,853,901	22.7%	3,249,450	23.0%
General and Administrative Expenses	3,428,309	23.3%	3,330,499	22.8%	2,553,485	20.3%	2,907,546	20.6%
Operating Income	305,780	2.1%	324,038	2.2%	300,416	2.4%	341,904	2.4%
Other Income (Expense)								
Miscellaneous income	12,963	0.1%	12,042	0.1%	4,002	0.0%	553	0.0%
Interest expense, net	(108,841)	-0.7%	(103,078)	-0.7%	(95,351)	-0.8%	(73,597)	-0.5%
Gain on disposition of property, plant, and equipment	-	0.0%	-	0.0%	5,475	0.0%	7,720	0.1%
Net Other Income (Expense)	(95,878)	-0.7%	(91,036)	-0.6%	(85,874)	-0.7%	(65,324)	-0.5%
Net Income	209,902	1.4%	233,002	1.6%	214,542	1.7%	276,580	2.0%
Less: Net Income Attributable to the Noncontrolling Interest	(57,880)	-0.4%	(77,300)	-0.5%	(52,940)	-0.4%	(65,673)	-0.5%
Net Income Attributable to Security and Data Technologies, Inc.	\$ 152,022	1.0%	\$ 155,702	1.1%	\$ 161,602	1.3%	\$ 210,907	1.5%

Source: SDT Financials.pdf.

Amounts subject to rounding.

EXHIBIT 3

2010 SDT Contracts in Progress

Contract		Contract Totals			From Inception to December 31, 2010							As of December 31, 2010	
Job	Description	Revenues	Estimated Costs	Estimated Gross Profit	Percent Complete	Earned Revenues	Cost of Earned Revenues	Gross Profit	Gross Profit %	Billed To-Date	Estimated Costs to Complete	Costs and Estimated Earning in Excess of Billings	Billings in Excess of Costs and Estimated Earnings
4059VIR	VIRTUA HOSPITAL VOORHEES	\$ 1,251,220	\$ 1,015,000	\$ 236,220	94.7%	\$ 1,185,507	\$ 961,693	\$ 223,814	18.9%	\$ 1,128,449	\$ 53,307	\$ 57,058	\$ -
4396FMH	MERCY FITZGERALD HOSPITAL	700,925	463,566	237,359	81.0%	567,617	375,401	192,216	33.9%	440,505	88,165	127,112	-
4016GJC	GLOUCESTER CO. JUSTIVE COMPLI	551,000	412,531	138,469	83.5%	460,292	344,618	115,674	25.1%	456,630	67,913	3,662	-
4283WPH	WEST PHILADELPHIA HIGH SCHOOL	499,800	338,584	161,216	61.0%	304,668	206,394	98,274	32.3%	242,870	132,190	61,798	-
4683CHPA	CHOP IRC3 REPLACEMENT - SDT	439,017	204,009	235,008	51.1%	224,345	104,252	120,093	53.5%	218,660	99,757	5,685	-
4656GCC	GLOUC. CNTY FAM & CNTY BLDGS	378,000	282,492	95,508	37.2%	140,560	105,045	35,515	25.3%	115,160	177,447	25,400	-
4180PSD	PHILADELPHIA SCHOOL RING #1	164,874	104,189	60,685	95.8%	157,943	99,809	58,134	36.8%	149,424	4,380	8,519	-
4343PSD	PSD CORE SITES RING #2	135,337	91,185	44,152	79.3%	107,265	72,271	34,994	32.6%	122,685	18,914	-	15,420
4478SSG	SEASHORE GARDENS APT BLDG.	117,000	97,404	19,596	5.6%	6,545	5,449	1,096	16.7%	17,550	91,955	-	11,005
4643PSD	PHILA SCHL DIST CORE ST RNG #4	114,000	88,178	25,822	2.1%	2,366	1,830	536	22.7%	10,281	86,348	-	7,915
4660PFC	PIER 5 PHASE 2 CONDO UNITS	113,815	75,404	38,411	19.1%	21,699	14,376	7,323	33.7%	28,454	61,028	-	6,755
4449VVT	VIRTUA ACC BLDG. FA, ACC CB	109,984	62,450	47,534	48.5%	53,354	30,295	23,059	43.2%	42,222	32,155	11,132	-
4452FED	FEDERATION HSG MULT SYST.	97,680	76,261	21,419	0.3%	296	231	65	22.0%	-	76,030	296	-
4592SCN	USM AT STUDIO CTR FA EXP.	84,225	54,216	30,009	16.0%	13,516	8,700	4,816	35.6%	4,772	45,516	8,744	-
4640SCN	USM AT STUDIO CTR CCTV & SEC	79,145	55,627	23,518	20.6%	16,318	11,469	4,849	29.7%	5,475	44,158	10,843	-
4318SMS	ST. MONICA'S MANOR EXPANSION	69,550	32,833	36,717	77.8%	54,133	25,555	28,578	52.8%	62,948	7,278	-	8,815
4447FPS	FEDERAL PROTECTIVE SERV. EXP	67,496	44,772	22,724	76.5%	51,652	34,262	17,390	33.7%	61,591	10,510	-	9,939
4096CIR	CIRA CTR SOUTH PARKING GARAGE	65,000	33,304	31,696	92.4%	60,076	30,781	29,295	48.8%	42,500	2,523	17,576	-
4113BHS	BENSALAM HIGH SCHOOL GYM	58,615	39,062	19,553	29.3%	17,198	11,461	5,737	33.4%	32,361	27,601	-	15,163
4670MSH	MERCY SUB HOSP. FA UPGRADES	57,500	32,387	25,113	2.5%	1,465	825	640	43.7%	14,375	31,562	-	12,910
	Contracts less than \$75,000	945,241	657,968	287,273		324,504	212,946	111,558	34.4%	403,359	445,022	41,448	120,303
Report Totals		<u>\$ 6,099,424</u>	<u>\$ 4,261,422</u>	<u>\$ 1,838,002</u>		<u>\$ 3,771,319</u>	<u>\$ 2,657,663</u>	<u>\$ 1,113,656</u>		<u>\$ 3,600,271</u>	<u>\$ 1,603,759</u>	<u>\$ 379,273</u>	<u>\$ 208,225</u>

Source: SDT Financials.pdf.

Amounts subject to rounding.

EXHIBIT 4

2012 SDT Contracts in Progress

Contract		Contract Totals			From Inception to December 31, 2012							As of December 31, 2012	
Job	Description	Revenues	Estimated Costs	Gross Profit	Percent Complete	Earned Revenues	Cost of Earned Revenues	Gross Profit	Gross Profit %	Billed To-Date	Estimated Costs to Complete	Costs and Estimated Earning in Excess of Billings	Billings in Excess of Estimated Earnings
5131CHA	CHOP ACC	\$ 615,000	\$ 512,492	\$ 102,508	4.9%	\$ 29,966	\$ 24,971	\$ 4,995	16.7%	\$ 61,500	\$ 487,521	\$ -	\$ 31,534
5163DVH	DELAWARE VETS HOME NC REPL	587,500	385,809	201,691	83.8%	492,598	323,487	169,111	34.3%	479,761	62,322	12,837	-
4976SRI	CHOP ABRAMSON IRC3 UPGRADE	513,780	217,742	296,038	82.0%	421,157	178,488	242,669	57.6%	362,985	39,254	58,172	-
5149SIO	THE SI ORGANIZATION	307,500	235,400	72,100	93.6%	287,890	220,388	67,502	23.4%	230,625	15,012	57,265	-
4784PIA	PHILA INT'L AIRPORT TERM F SEC	249,609	184,186	65,423	87.4%	218,154	160,975	57,179	26.2%	194,963	23,211	23,191	-
5160BAC	GOVERNOR BACON HLTH CTR	228,883	168,696	60,187	73.0%	167,101	123,160	43,941	26.3%	141,408	45,536	25,693	-
5091DVI	DELAWARE VALLEY INTELLIGENCE	170,000	115,900	54,100	87.1%	148,129	100,989	47,140	31.8%	137,569	14,911	10,560	-
5154OPP	OPPORTUNITIES TOWERS 1 & 2	153,400	82,814	70,586	60.6%	92,945	50,177	42,768	46.0%	127,530	32,637	-	34,585
5085CES	CHELTENHAM ELEM SCHL EXTRON SY	122,570	101,678	20,892	2.1%	2,550	2,115	435	17.1%	14,145	99,563	-	11,595
5173PSV	CITY OF PHILA./PCA-SVU CO	97,880	69,484	28,396	7.2%	7,077	5,024	2,053	29.0%	9,788	64,460	-	2,711
5191FCM	FRANKLIN COURT MUSEUM	87,900	65,018	22,882	10.4%	9,116	6,743	2,373	26.0%	8,768	58,275	348	-
5009VIR	VIRTUA VOORHEES NC MGMNT RPT	83,800	36,620	47,180	95.7%	80,237	35,063	45,174	56.3%	75,440	1,557	4,797	-
5004GAC	GATEWAY SENIOR APTS	77,910	50,417	27,493	85.6%	66,717	43,174	23,543	35.3%	70,119	7,243	-	3,402
4837PWD	PHILA WATER DEPT CCTV-EXP PROO	77,000	59,223	17,777	12.9%	9,958	7,659	2,299	23.1%	7,792	51,564	2,166	-
4318SMS	ST. MONICA'S MANOR EXPANSION	75,030	42,708	32,322	92.4%	69,299	39,446	29,853	43.1%	71,821	3,262	-	2,522
	Contracts less than \$75,000	2,027,236	1,355,734	671,502		645,491	440,689	204,802	31.7%	776,477	915,045	64,271	195,257
	Report Totals	\$ 5,474,998	\$ 3,683,921	\$ 1,791,077		\$ 2,748,385	\$ 1,762,548	\$ 985,837		\$ 2,770,691	\$ 1,921,373	\$ 259,300	\$ 281,606

Source: SDT Financials.pdf.

Amounts subject to rounding.